

**CITY OF BISMARCK POLICE**  
**PERFORMANCE REPORT FOR JUNE 2002**

8/15/2002

|                                   | Assets as of<br>June 30, 2002 |                 |                 | *RATES OF TOTAL RETURN |        |        |         |              |                       |
|-----------------------------------|-------------------------------|-----------------|-----------------|------------------------|--------|--------|---------|--------------|-----------------------|
|                                   | EMV<br>\$(000)                | Actual<br>Alloc | Policy<br>Alloc | Quarter Ended          |        |        |         | 2002<br>FYTD | YR Ended<br>6/30/2001 |
|                                   |                               |                 |                 | Jun-02                 | Mar-02 | Dec-01 | Sep-01  |              |                       |
| LARGE CAP EQUITY                  |                               |                 |                 |                        |        |        |         |              |                       |
| Structured Growth                 |                               |                 |                 |                        |        |        |         |              |                       |
| Alliance Capital Management       | 238                           | 2.3%            | 2.6%            | -17.61%                | -5.89% | 15.49% | -20.69% | -28.98%      | -28.08%               |
| RUSSELL 1000 GROWTH               |                               |                 |                 | -18.67%                | -2.59% | 15.14% | -19.41% | -26.49%      | -36.18%               |
| Structured Value                  |                               |                 |                 |                        |        |        |         |              |                       |
| LSV                               | 273                           | 2.6%            | 2.6%            | -5.22%                 | 9.28%  | 8.73%  | -8.79%  | 2.72%        | 28.93%                |
| RUSSELL 1000 VALUE                |                               |                 |                 | -8.52%                 | 4.09%  | 7.37%  | -10.95% | -8.96%       | 3.84%                 |
| Enhanced S&P Index (1)            |                               |                 |                 |                        |        |        |         |              |                       |
| Northern Trust Global Investments | 483                           | 4.6%            | 5.1%            | -12.73%                | 0.48%  | 10.54% | -14.35% | -16.98%      | N/A                   |
| Strong Capital                    | 488                           | 4.6%            | 5.1%            | -15.71%                | 0.82%  | 11.72% | -15.98% | -20.23%      | N/A                   |
| Westridge Capital                 | 527                           | 5.0%            | 5.1%            | -13.34%                | 0.47%  | 10.90% | -14.60% | -17.54%      | N/A                   |
| Total Enhanced S&P Index          | 1,498                         | 14.3%           | 15.4%           | -13.92%                | 0.59%  | 11.05% | -14.96% | -18.23%      | N/A                   |
| S&P 500                           |                               |                 |                 | -13.40%                | 0.28%  | 10.69% | -14.68% | -17.98%      | N/A                   |
| Enhanced Russell 1000 Index (1)   |                               |                 |                 |                        |        |        |         |              |                       |
| Los Angeles Capital (Wilshire)    | 495                           | 4.7%            | 5.1%            | -12.70%                | 1.45%  | 10.79% | -15.41% | -17.00%      | N/A                   |
| RUSSELL 1000                      |                               |                 |                 | -13.46%                | 0.74%  | 11.11% | -15.23% | -17.89%      | N/A                   |
| S&P 500 Index                     |                               |                 |                 |                        |        |        |         |              |                       |
| State Street - S&P 500 Index      | 840                           | 8.0%            | 8.6%            | -13.37%                | 0.28%  | 10.69% | -14.68% | -17.96%      | -14.75%               |
| S&P 500                           |                               |                 |                 | -13.40%                | 0.28%  | 10.69% | -14.68% | -17.98%      | -14.83%               |
| TOTAL LARGE CAP EQUITY            | 3,345                         | 31.8%           | 34.3%           | -13.14%                | 0.86%  | 11.03% | -14.80% | -17.13%      | -11.52%               |
| S&P 500                           |                               |                 |                 | -13.40%                | 0.28%  | 10.69% | -14.68% | -17.98%      | -14.83%               |
| SMALL CAP EQUITY (2)              |                               |                 |                 |                        |        |        |         |              |                       |
| SEI                               | 1,141                         | 10.9%           | 10.7%           | -10.27%                | 2.37%  | 20.00% | -20.04% | -11.87%      | N/A                   |
| RUSSELL 2000 + 200 bp             |                               |                 |                 | -7.85%                 | 4.48%  | 21.59% | -20.29% | -6.68%       | N/A                   |
| TOTAL SMALL CAP EQUITY            | 1,141                         | 10.9%           | 10.7%           | -10.27%                | 2.37%  | 20.00% | -20.02% | -11.84%      | 1.69%                 |
| RUSSELL 2000                      |                               |                 |                 | -8.35%                 | 3.98%  | 21.09% | -20.79% | -8.59%       | 0.57%                 |
| INTERNATIONAL EQUITY              |                               |                 |                 |                        |        |        |         |              |                       |
| Int'l Large Cap - Core            |                               |                 |                 |                        |        |        |         |              |                       |
| State Street                      | 104                           | 1.0%            | 1.1%            | -4.95%                 | 1.49%  | 7.71%  | -15.06% | -11.74%      | -17.93%               |
| MSCI 50% HEDGED EAFE INDEX        |                               |                 |                 | -7.12%                 | 1.26%  | 8.60%  | -16.41% | -14.62%      | -17.95%               |
| Int'l Large Cap - Active          |                               |                 |                 |                        |        |        |         |              |                       |
| Capital Guardian                  | 277                           | 2.6%            | 2.8%            | -7.53%                 | 0.92%  | 12.46% | -17.26% | -13.17%      | -20.14%               |
| Bank of Ireland                   | 60                            | 0.6%            | 0.6%            | -1.16%                 | N/A    | N/A    | N/A     | N/A          | N/A                   |
| Total Int'l Large Cap - Active    | 338                           | 3.2%            | 3.3%            | -6.43%                 | 0.86%  | 12.46% | -17.26% | -12.19%      | -20.14%               |
| MSCI 50% HEDGED EAFE INDEX        |                               |                 |                 | -7.12%                 | 1.26%  | 8.60%  | -16.41% | -14.62%      | -17.95%               |
| Int'l Small Cap - Active          |                               |                 |                 |                        |        |        |         |              |                       |
| Lazard                            | 64                            | 0.6%            | 0.6%            | 6.73%                  | N/A    | N/A    | N/A     | N/A          | N/A                   |
| Wellington                        | 61                            | 0.6%            | 0.6%            | 6.85%                  | N/A    | N/A    | N/A     | N/A          | N/A                   |
| Total Int'l Small Cap - Active    | 125                           | 1.2%            | 1.1%            | 6.79%                  | N/A    | N/A    | N/A     | N/A          | N/A                   |
| SSB Broad Market Index <\$2bn     |                               |                 |                 | 3.90%                  | N/A    | N/A    | N/A     | N/A          | N/A                   |
| TOTAL INTERNATIONAL EQUITY        | 567                           | 5.4%            | 5.5%            | -3.61%                 | 0.62%  | 10.06% | -16.14% | -10.49%      | -18.81%               |
| MSCI 50% HEDGED EAFE INDEX        |                               |                 |                 | -7.12%                 | 1.26%  | 8.60%  | -16.41% | -14.62%      | -17.95%               |
| EMERGING MARKETS                  |                               |                 |                 |                        |        |        |         |              |                       |
| Value - Active - Commingled       |                               |                 |                 |                        |        |        |         |              |                       |
| Capital Guardian                  | 205                           | 1.9%            | 2.0%            | -12.54%                | 10.64% | 29.87% | -24.96% | -5.69%       | -29.31%               |
| MSCI EMERGING MKTS FREE INDEX     |                               |                 |                 | -8.39%                 | 11.41% | 26.60% | -21.60% | 1.30%        | -25.93%               |
| DOMESTIC FIXED INCOME             |                               |                 |                 |                        |        |        |         |              |                       |
| Core Bond                         |                               |                 |                 |                        |        |        |         |              |                       |
| Western Asset                     | 597                           | 5.7%            | 4.8%            | 3.65%                  | 0.42%  | -0.15% | 4.75%   | 8.87%        | 13.40%                |
| LB AGGREGATE                      |                               |                 |                 | 3.69%                  | 0.09%  | 0.05%  | 4.61%   | 8.62%        | 11.22%                |
| Active Duration                   |                               |                 |                 |                        |        |        |         |              |                       |
| Criterion                         | 587                           | 5.6%            | 4.8%            | 2.99%                  | 0.42%  | -0.76% | 3.28%   | 6.00%        | 12.34%                |
| LB AGGREGATE                      |                               |                 |                 | 3.69%                  | 0.09%  | 0.05%  | 4.61%   | 8.62%        | 11.22%                |
| Index                             |                               |                 |                 |                        |        |        |         |              |                       |
| Bank of North Dakota              | 630                           | 6.0%            |                 | 4.60%                  | -0.17% | -0.09% | 5.01%   | 9.56%        | 11.04%                |
| BND (Match Loan Program)          | 141                           | 1.3%            |                 | 1.42%                  | 1.37%  | 1.45%  | 1.43%   | 5.79%        | 5.89%                 |
| Total Bank of North Dakota        | 771                           | 7.3%            | 7.5%            | 3.76%                  | 1.21%  | 0.24%  | 4.19%   | 9.68%        | 9.79%                 |
| LB GOV/CORP                       |                               |                 |                 | 3.75%                  | -0.47% | 0.06%  | 4.76%   | 8.24%        | 11.13%                |

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|                                      | Assets as of<br>June 30, 2002 |                 |                 | *RATES OF TOTAL RETURN |         |         |         |              |                       |  |
|--------------------------------------|-------------------------------|-----------------|-----------------|------------------------|---------|---------|---------|--------------|-----------------------|--|
|                                      | EMV<br>\$(000)                | Actual<br>Alloc | Policy<br>Alloc | Quarter Ended          |         |         |         | 2002<br>FYTD | YR Ended<br>6/30/2001 |  |
|                                      |                               |                 |                 | Jun-02                 | Mar-02  | Dec-01  | Sep-01  |              |                       |  |
| Core                                 |                               |                 |                 |                        |         |         |         |              |                       |  |
| Strong Capital                       | 571                           | 5.4%            | 4.8%            | -0.44%                 | -0.85%  | 0.45%   | 4.04%   | 3.16%        | 13.45%                |  |
| LB BAA BOND INDEX EX YANKEE BONDS    |                               |                 |                 | 2.06%                  | -0.23%  | 0.35%   | 3.59%   | 5.85%        | 6.00%                 |  |
| Convertibles                         |                               |                 |                 |                        |         |         |         |              |                       |  |
| TCW                                  | 508                           | 4.8%            | 4.8%            | -15.27%                | -1.90%  | 12.91%  | -16.04% | -21.20%      | -13.58%               |  |
| 1ST BOSTON CONVERTIBLE INDEX         |                               |                 |                 | -8.47%                 | -0.16%  | 7.67%   | -11.01% | -12.44%      | -11.87%               |  |
| Timberland                           |                               |                 |                 |                        |         |         |         |              |                       |  |
| Evergreen (Wachovia)                 | 367                           | 3.5%            | 3.5%            | 18.77%                 | 0.00%   | 0.15%   | N/A     | N/A          | N/A                   |  |
| CPI + 8                              |                               |                 |                 | 2.52%                  | N/A     | N/A     | N/A     | N/A          | N/A                   |  |
| TOTAL DOM FIXED INCOME               | 3,400                         | 32.4%           | 30.0%           | 0.31%                  | -0.27%  | 2.09%   | 0.42%   | 2.56%        | 6.87%                 |  |
| LB AGGREGATE                         |                               |                 |                 | 3.69%                  | 0.09%   | 0.05%   | 4.61%   | 8.62%        | 11.22%                |  |
| HIGH YIELD BONDS                     |                               |                 |                 |                        |         |         |         |              |                       |  |
| Western Asset                        | 491                           | 4.7%            | 5.0%            | -7.58%                 | 0.53%   | 5.75%   | -4.41%  | -6.08%       | -4.46%                |  |
| LB HIGH YIELD BOND INDEX             |                               |                 |                 | -6.41%                 | 1.68%   | 5.78%   | -4.23%  | -3.60%       | -0.96%                |  |
| INTERNATIONAL FIXED INCOME           |                               |                 |                 |                        |         |         |         |              |                       |  |
| Intl Core                            |                               |                 |                 |                        |         |         |         |              |                       |  |
| UBS Global (Brinson)                 | 507                           | 4.8%            | 4.5%            | 14.11%                 | -1.52%  | -3.56%  | 7.80%   | 16.83%       | -7.58%                |  |
| SALOMON NON-US GOV'T BOND            |                               |                 |                 | 13.97%                 | -1.87%  | -3.97%  | 7.75%   | 15.72%       | -7.43%                |  |
| REAL ESTATE (3)                      |                               |                 |                 |                        |         |         |         |              |                       |  |
| J.P. Morgan                          | 551                           | 5.2%            | 5.0%            | 0.69%                  | 0.65%   | 1.23%   | 1.47%   | 4.10%        | 10.27%                |  |
| NCREIF PROPERTY INDEX                |                               |                 |                 | 1.62%                  | 1.67%   | 1.58%   | 1.75%   | 6.79%        | 11.15%                |  |
| PRIVATE EQUITY (3)                   |                               |                 |                 |                        |         |         |         |              |                       |  |
| Coral Partners V                     | 104                           | 1.0%            |                 | -0.62%                 | -9.51%  | -11.30% | -34.09% | -46.32%      | 19.29%                |  |
| Coral Partners Supplemental V        | 7                             | 0.1%            |                 | -1.12%                 | -2.91%  | -0.92%  | N/A     | N/A          | N/A                   |  |
| Brinson 1998 Partnership Fund        | 18                            | 0.2%            |                 | 0.44%                  | -1.56%  | -11.87% | -3.49%  | -15.23%      | -3.63%                |  |
| Brinson 1999 Partnership Fund        | 21                            | 0.2%            |                 | -6.14%                 | -5.24%  | -11.39% | -1.32%  | -21.70%      | -4.36%                |  |
| Brinson 2000 Partnership Fund        | 28                            | 0.3%            |                 | -5.76%                 | -5.40%  | -4.11%  | -0.50%  | -14.95%      | 2.74%                 |  |
| Brinson 2001 Partnership Fund        | 6                             | 0.1%            |                 | -3.88%                 | -0.58%  | -1.75%  | -0.12%  | -6.22%       | N/A                   |  |
| Brinson 2002 Partnership Fund        | 1                             | 0.0%            |                 | 0.35%                  | N/A     | N/A     | N/A     | N/A          | N/A                   |  |
| Brinson 1999 Non-US Partnership Fund | 8                             | 0.1%            |                 | -2.25%                 | -3.46%  | -0.95%  | -1.98%  | -7.68%       | 2.24%                 |  |
| Brinson 2000 Non-US Partnership Fund | 7                             | 0.1%            |                 | -1.18%                 | -5.99%  | 2.67%   | -1.98%  | -6.51%       | -7.03%                |  |
| Brinson 2001 Non-US Partnership Fund | 4                             | 0.0%            |                 | -4.18%                 | 0.66%   | 0.66%   | 0.66%   | -4.85%       | N/A                   |  |
| Brinson 2002 Non-US Partnership Fund | 1                             | 0.0%            |                 | N/A                    | N/A     | N/A     | N/A     | N/A          | N/A                   |  |
| Brinson BVCF IV                      | 48                            | 0.5%            |                 | -9.27%                 | -9.99%  | -3.90%  | -11.21% | -29.16%      | -11.46%               |  |
| InvestAmerica Lewis & Clark Fund     | 1                             | 0.0%            |                 | 0.00%                  | N/A     | N/A     | N/A     | N/A          | N/A                   |  |
| Hearthstone                          | 24                            | 0.2%            |                 | -6.51%                 | 4.07%   | 3.57%   | 2.94%   | 4.99%        | 8.17%                 |  |
| TOTAL PRIVATE EQUITY                 | 278                           | 2.6%            | 3.0%            | -3.80%                 | -5.99%  | -6.56%  | -15.66% | -28.73%      | 9.32%                 |  |
| POST VENTURE CAPITAL INDEX           |                               |                 |                 | -25.35%                | -10.82% | 29.99%  | -35.63% | -44.30%      | -48.23%               |  |
| CASH EQUIVALENTS                     |                               |                 |                 |                        |         |         |         |              |                       |  |
| TNT Short Term Extendable Portfolio  | 19                            | 0.2%            | 0.0%            | 0.53%                  | 0.48%   | 0.49%   | 0.77%   | 2.29%        | 5.91%                 |  |
| 90 DAY T-BILLS                       |                               |                 |                 | 0.46%                  | 0.43%   | 0.64%   | 1.08%   | 2.63%        | 5.90%                 |  |
| TOTAL FUND                           | 10,502                        | 100.0%          | 100.0%          | -6.02%                 | 0.52%   | 7.25%   | -8.47%  | -7.26%       | -3.18%                |  |
| POLICY TARGET BENCHMARK              |                               |                 |                 | -5.31%                 | 0.61%   | 8.03%   | -8.06%  | -5.38%       | -4.65%                |  |
| TOTAL VALUE ADDED DUE TO             |                               |                 |                 |                        |         |         |         |              |                       |  |
| Asset Mix                            |                               |                 |                 | 0.25%                  | 0.06%   | -0.40%  | 1.26%   | 1.17%        | 0.53%                 |  |
| Active Management                    |                               |                 |                 | -1.00%                 | -0.14%  | -0.32%  | -1.69%  | -3.12%       | 1.01%                 |  |
| Total Value Added                    |                               |                 |                 | -0.75%                 | -0.08%  | -0.72%  | -0.43%  | -1.95%       | 1.54%                 |  |

(1) Funded between July 25 and August 1, 2000.

(2) Brinson and Nicholas-Applegate were terminated and SEI hired May 18, 2001 with a transition of assets occurring during the month of June.

(3) Monthly returns estimated based on quarters' returns.

**NOTE:** Due to a discovery of a more accurate method for calculating the gross vs net of fee returns for the private equity funds, adjustments were made to the quarterly returns for FY 2001 and 2002 and total fund returns have been restated.

Monthly returns and market values are preliminary and subject to change.  
Returns are net of investment management fees.